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Carleton Regional
Development
Commission Inc.

Carleton Regional Development Commission

Annual Report
Fiscal Year
1997-1998

Annual Report
Fiscal Year
1997-1998

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Member Municipalities

Bath	Bristol
Canterbury	Centreville
Florenceville	Hartland
Meductic	Woodstock

Board of Directors	Representatives
Matthew Brennan	Bath
Charles MacDonald	Bath
Harold Crabbe	Bristol
Heather Osbak	Bristol
Robert English	Canterbury
Janet Lamoreau	Centreville
Randy McDougall	Centreville
Robert Stephenson	Florenceville
Mike Trecartin	Hartland
Ken Clark	Hartland
Neil Cummings	Meductic
Randy Leonard	Woodstock
Ken Harding	Woodstock

Executive

Randy Leonard	Chairman
Charles MacDonald	Vice Chairman
Vacant	Secretary
Mike Trecartin	Treasurer
Neil Cummings	Past Chairman

Personnel

Gary Melanson	General Manager
Ron Ward	Project Officer
Wendy Gallant	Economic Development Officer/Executive Secretary

Professional Appointments

Corporate Solicitors:

Crocco, Hunter & Purvis
Woodstock, N.B.

Attn: Ian Purvis

Corporate Banker:

Royal Bank of Canada
Woodstock, N.B.

Auditors:

Donald Oulton, C.A.
Oulton & Parkinson
Woodstock, N.B.

Carleton Regional Development Commission Inc.

The Carleton Regional Development Commission Inc. was established and incorporated under the Companies' Act of the Province of New Brunswick late in 1980. The intention is to serve the development interest of the region rather than single communities.

The main purpose of the Commission is "to encourage the promotion, expansion and diversification of economic activity" within the Carleton Region. To this end, the corporation was granted the rights and power to provide services of consultants and engage in other pursuits not inconsistent with the Companies' Act in order to achieve its objectives.

The territory over which the Carleton Regional Development Commission has jurisdiction coincides more or less with the trade area of the Carleton Region. It extends in a radius of 41 kilometres (25 miles) around the towns of Woodstock and Hartland, and the villages of Bath, Bristol, Centreville, Florenceville, Canterbury and Meductic. The Carleton Region has a total population of 26,910 people, thirty three percent of which live in incorporated communities.

The activities of the Commission are wide-ranging, being geared to the identification and implementation of economic development opportunities within the region.

The fulfillment of the roles and functions require that the Commission carry out a number of activities. Major activities include: (a) planning; (b) promotion; (c) new business development; (d) liaison with all levels of government; and (e) assist and promote the development of potential in the region's natural resources and tourism activities.

The Commission is not a government agency but an autonomous corporation. It's members are appointed by participating municipalities to a Board of Directors for a one-year term. The Carleton Regional Development Commission Inc. currently has sixteen director positions; two each from Bath, Bristol, Canterbury, Centreville, Florenceville, Hartland, Meductic and Woodstock. They are chosen for their interest in their community, their leadership qualities, their influence and resourcefulness.

The Commission has a business office in Woodstock with a full-time staff of three. The General Manager is responsible for the management of the everyday operation of the Commission. His main concern is the promotion of economic development in the area. He also consults with the communities served and the higher levels of government in matters concerning economic development. He assists in the creation and expansion of local business in all sectors of business activity. The staff focus their efforts on working with new and existing entrepreneurs, special projects and activities as assigned by the General Manager. All assistance and services provided by the CRDC are free of charge and confidential.

Chairman's Message

On behalf of the Board of Directors of the Carleton Regional Development Commission, I am pleased to submit to you the Annual Report for the 1997-98 fiscal year.

The people of the Carleton region should be very proud of the accomplishments of our business community. We are home to a great number of very successful entrepreneurs who have built their businesses into some of the most stable and prosperous in New Brunswick. The region benefits from several key industry sectors: Agriculture and Food Processing; Forestry and Wood Products; Transportation; Metal Fabrication; and Manufacturing.

Key businesses continue to be leaders in their industries. Barrett Diversified is involved in a broad range of consumer products and services across Canada. Jolly Farmers continues to grow, adding four new acres of greenhouses and a potting soil processing plant, new crops and a new housing community for their members. They have now exceeded 140 employees, becoming one of the largest employers in the area. Guest Screw Machine Shop, just a small operation five years ago, recently expanded doubling their manufacturing space and equipment in preparation for new orders from central Canada and US customers. Majestic Woodworking and Boss Hardwoods, in a joint effort, are now producing hardwood flooring for US customers and Sabian continues to be a leader in the music industry.

A huge success story in the region is Juniper Lumber which has doubled their production facility. They have added four new dry kilns and expanded their present manufacturing facility by 15,000 square feet. The result will be the addition of 100 new jobs created by expanding into two full time shifts. They have also added the Juniper Value-Added plant which will produce finger jointed products, a new planer mill and a production line for molded wood products. When totally operational, this facility will employ an additional 120 people at the Juniper site. The company also claims another 135

spin-off jobs in managing forest operations and their land base. In total, Juniper Lumber will have created 350 direct and indirect jobs in New Brunswick in the past year.

Exporting continues to be a key in our region. Natural resources and value added products from agriculture and the forestry industry continue to be exported in growing quantities. Not only does this lead to the expansion of our growers, processors and manufacturers, but the transportation and the service sector continue to grow and prosper as well.

New business start-ups are encouraged and assisted, but the strength of this region's growth over the past year was with existing companies and their ability to diversify, expand and build on their strengths and experience.

The Carleton Regional Development Commission is also actively involved in many more issues supporting this region. We have worked with the community on the Natural Gas Pipeline issue over the past year, offered a variety of business training programs in partnership with ACOA, lobbied for the continuation of the Community College's Mig Welding program to support area metal fabricators, and supported special community initiatives such as the Woodstock Train Station project and the Woodstock Quality Assurance Council. These activities help the community grow and the Carleton Regional Development Commission will continue to offer our support when possible.

A large part of this growth and diversification would not happen if not for the support of a variety of government departments, agencies and private organizations. These include Economic Development & Tourism, Atlantic Canada Opportunities Agency, Human Resource Development New Brunswick and Canada, Advanced Education & Labour, Agriculture & Rural Development, Southwest Valley Development Corporation, Woodstock Quality Assurance Council, area Chambers of Commerce and local special interest groups and volunteers. I wish to thank each of these organizations and their staff and volunteers for their support and hard work.

I would also like to thank the towns and villages in our region for their continued support of the Commission and it's work. With the reductions of government related services in the rural regions, it is vital that the Commission continues to exist to support business start-ups, growth and diversification. The Commission also acts as a voice to all levels of government concerning business issues and government policies affecting the region.

In closing, we are facing a challenging future. Governments continue to struggle with shrinking budgets and personnel, which challenges us to do more with less. It is vital that the Board of Directors, our member communities and the businesses of this region lobby for the continued existence of the regional development commissions, in particular the Carleton Regional Development Commission. This region cannot afford to lose any additional services and contacts with our government partners. To best serve our business community's needs we must have a local office staffed with qualified economic development personnel. The Commission brings valuable resources and assistance to the Carleton Region, it must remain intact.

The Carleton Regional Development Commission is looking forward to another busy year and I encourage the business community to call upon their services. With the collective efforts of the communities, businesses and government support, we will continue to experience steady growth of our business base leading to a stronger, more prosperous region in which to live.

Randy Leonard
Chairman, 1997/98

General Manager's Report

The Carleton Regional Development Commission has had another busy year working with local and regional organizations on various projects and initiatives. Our main focus continues to be business counselling with new and existing businesses. The staff conducted a total of 1,005 counselling sessions over the past year which resulted in thirteen (13) new business starts, a large number of expansions to existing businesses and our region has enjoyed over 580 new jobs over the past year as a result of a variety of government support.

The focus of these counselling sessions by program type is as follows:

	Number of Clients
Provincial Programs	
Self Start	30
Entrepreneur	320
SECAP	75
Provincial Holdings	2
Tourism Strategy	35
Student Venture Program	20
Federal Programs	
ACOA	100
Industry Canada	10
Trade Assistance	40
Southwest Valley Development Corp. loans	100
Self Employment Benefit Program (SWVD)	100
Transitional Jobs Fund	60
General Business Counselling	113

The Commission also supported the business community with a variety of other services including the Enterprise Resource Centre which served over 300 clients in the past year. We provided business training through the Better Business Management Practices program offered by ACOA and coordinated a customer service training program in the region.

1997/98 was a year of change in the way that government agencies and departments work together. The CRDC was an active partner in the development of a coordinated workplan which brought together the activities of the following five organizations:

Carleton Regional Development Commission
Southwest Valley Development Corporation
Atlantic Canada Opportunities Agency
Economic Development & Tourism
Department of Agriculture & Rural Development

We have also been working with the following organizations and hope to have their participation in next year's coordinated workplan: Human Resource Development Canada and New Brunswick, Advanced Education & Labour and The Canada/New Brunswick Business Service Centre.

The purpose of the coordinated workplan is to identify and prioritize key economic development activities for the region, identify which organization(s) should be responsible for particular activities, and coordinate all the participants in the delivery and support of each activity undertaken. The workplan holds accountable the stakeholders with clear targets and timelines for all activities. We feel that this is a giant step forward in reducing duplication and clearly defining the roles and responsibilities of all the partners.

Another very important issue which the Commission has been involved with over the past year is the proposed restructuring of the twelve economic development commissions in the province. The provincial government made a proposal to geographically re-align the commissions to achieve more equitable territories based on total populations served. The proposal also included revising the financial support of the commissions to include legislated municipal contributions. This proposal met with a variety of resistance and led to a series of community meetings throughout New Brunswick. Our region met twice to discuss the proposed changes and submitted our recommendations to the New Brunswick Economic Commissions Association, (NBECA) to be included in their reply to the government. The process was completed in January 1998 and the final response document was submitted in March 1998. We are now awaiting the decision of the provincial government as to how they will be dealing with the commissions past the year 2000.

The staff of the Commission continue to advance their skills through various training programs. Wendy Gallant and Ron Ward are enrolled in the Institute of Small Business Counsellor's program leading to their certification. I wish to applaud their efforts and reinforce the need for them to continuously improve their skills to be able to offer professional services on behalf of the Commission.

I would like to thank the Board of Directors of the Carleton Regional Development Commission for their continued support and guidance. I would also like to thank the business community for their support of the Commission's work and in developing new businesses and expanding existing ones.

The next year will be a demanding one. The Commission is striving to work closer with our government partners, sharing more information and ideas. We are lucky to have a strong working relationship with our key partners, Economic Development & Tourism, Advanced Education & Labour, Atlantic Canada Opportunities Agency and Southwest Valley Development Corporation. Their representatives, Gary Belding, Greg Foster &

Bob LaRoche, Jayne Clarke, Wayne Gunter and Robert Bowles have made our jobs much easier and more rewarding. I wish to thank them for their support.

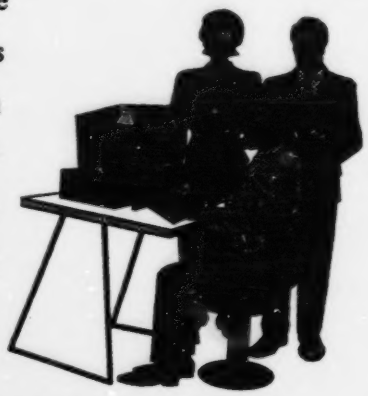
I would like to encourage you to review the annual report and I look forward to any questions or comments.

Gary Melanson
General Manager

Highlights of Government Partners and Programs

The Enterprise Resource Centre

The Enterprise Resource Centre opened in January, 1996 and is now located within the Commission's offices in the Capital Square building in Woodstock. For the first six months of this fiscal year this centre was funded through Connect NB, with the CRDC covering the operating costs for balance of the year. The centre has provided over 300 individuals and businesses with valuable information on markets, suppliers, business planning, and computerization. Clients have access to the computers and the Internet service in the centre to work on their business and marketing plans. The centre has also provided a link to several other resource services and centres throughout Atlantic Canada and beyond. Unfortunately, due to the lack of financial support, the support services of a staff member have been lost, greatly reducing the services of the Enterprise Resource Centre. The Centre continues to be supported by the staff of the CRDC as time permits.



The Canada/New Brunswick Business Service Centre: The Canada/New Brunswick Business Service Centre, located in Fredericton, continues to be a very important information provider for our staff and clients. The centre offers business advice, program information and referrals to other agencies. Since opening in 1994 the centre has handled approximately 84,000 inquiries.

The Business Development Centre: The Southwest Valley Development Corporation provides technical and counselling advice to new or existing small businesses. Their key activity is the administration of their investment funds to create employment supporting local businesses in the form of loans, loan guarantees and equity participation. During the past year Southwest Valley has invested $547,750 in direct cash investments into twenty-two (22) businesses in Carleton County. This organization is also responsible for the evaluation and counselling of Self Employment Benefit Program (SEB) participants in the region. Currently, the SEB program has approximately eleven (11) participants approved for assistance, for a dollar value of $129,422, resulting in creating thirteen (13) full time jobs and five (5) part time jobs.

The Atlantic Canada Opportunities Agency: ACOA is one of two partners providing funding to the Carleton Regional Development Commission through the COOPERATION Agreement. ACOA continues to be active in supporting area businesses through their "Business Development Program" which is designed to help set up, expand or modernize businesses. Focusing on small- and medium-sized enterprises, the program offers access to capital in the form of interest-free, unsecured, repayable contributions. During the past year ACOA has invested $2,535,836 in direct cash investments into twenty one (21) businesses in Carleton County. A total of $9,670,166 has been invested in these projects and 144 jobs have been created.

ACOA was key this fiscal year in the delivery of topic specific training for small- and medium-size businesses in the region through the Better Business Management Practices training courses. The courses included: Do It Yourself Marketing & Promotion; Expanding The Field; The Global Loading Dock; Where's The Widget; From Vision To Results; Behind The Bottom Line; and Will That Be Cash Or... ? Managing Your Cash Flow.

ACOA can accommodate a combination of business activities, including:

- Business start-up, expansion or modernization
- Developing business ideas, innovation, research and development
- Public tender bid preparation activities
- Training, productivity and quality improvements
- Trade development and marketing
- Consultant advice

ACOA's representative in the Carleton County is Ms. Jayne Clarke and the Manager for the region is Mr. Wayne Gunter.

Human Resource Development Canada: Human Resource Development Canada has recently emphasized a new program called the Transitional Jobs Fund. Designed to assist businesses expanding and adding incremental staff, the program has generated over thirty serious inquiries and over ten applications. Several area businesses benefited from this program including: Majestic Woodworking; Guest Screw Machine Products; and McLaughlin Roof Trusses.

New Brunswick Department of Economic Development & Tourism: The province has been very active in supporting business in the area with their various programs. The province is represented by Mr. Gary Belding in the region and supported by Mr. Denis Caron, Director of the Small Business Directorate.

Key provincial administered programs utilized by our clients include:

Self Start - A loan guarantee of up to $10,000, this program is available for first time, full time business owners to assist in financing start up and operating costs. This program is also available for seasonal tourism related businesses. The Self Start Program generated thirty (30) inquiries resulting in four (4) approvals in 1997/98 in the Carleton County.

Entrepreneur Program - This program, supported by Advanced Education and Labour, is similar to Self Start in that it loans up to $10,000 to new business ventures, but it is designed to assist unemployed individuals. Over three hundred (300) inquiries resulted in nine (9) new businesses starting with the assistance of this program in 1997/98. Several of these individuals also combined this program with the Self Employment Benefit Program administered by the Southwest Valley Development Corporation and Human Resources Development Canada.

Quality Assurance Program - With quality being such an important aspect of today's business environment this program offers assistance to provide quality control training for staff and management, to improve existing programs and the quality of a product or service, to purchase testing or measurement equipment and to hire qualified expertise. Seven (7) companies in our region utilized this program in 1997/98.

Trade and Marketing Assistance - This provincial program aims at helping manufacturers, processors, the tourism industry and some service industries on a cost sharing basis. It enables them to take part in professional trade shows, industrial missions or to devise promotional material for developing new markets or increase sales at home and abroad. Nine (9) companies received assistance under this program.

Small Enterprise Capital Assistance Program (SECAP) - This new program has been recently introduced and designed to increase incomes and enhance employment opportunities in New Brunswick by financially stimulating small businesses to pursue new opportunities within certain sectors of the economy. This program provides financial support in the form of non-repayable assistance up to 40% of the eligible costs to a maximum of $50,000. In all, nine (9) applications were developed for assistance, resulting in four (4) approvals for assistance.

Other Programs: Assistance was also given through the following government programs to a number of businesses in the Carleton County: Technical Missions, seven (7) approvals; Financial Assistance Program, six (6) approvals and the Student Venture Loan program with fourteen (14) approvals.

Activity Details

The Carleton Regional Development Commission (CRDC) serves a population base of approximately 26,910 people and 1,335 businesses in the region.

Our mandate is to foster and promote economic development in the Carleton Region. To report on the activity and the results over the past fiscal year four key areas of activity, the projects within each area and the results achieved have been identified.

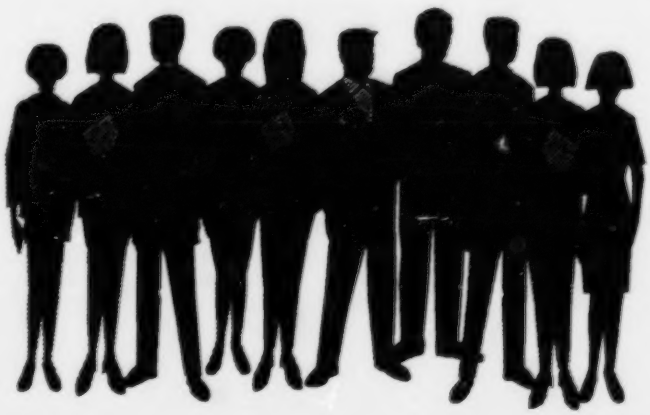
These topic areas are:

1) Service to Business

2) Planning and Coordination

3) Communications

4) Administration



1) Service to Business:

This is a key area of activity for our Commission and as a result most of our time was spent in this area. Key areas of activity include: A) Counselling to New and Existing Small and Medium Business; B) Entrepreneurship Development and Training; C) Conferences and Meetings; and D) Information Gathering and Dissemination.

A) Business Counselling to New and Existing Small Business - Inquiries:

The staff of the CRDC have been tracking the number of client counselling sessions conducted each month. (These figures do not include telephone inquiries which are substantial). On average these sessions require approximately one and one half (1.5) hours of individual counselling and clients usually return on average three times. We have had a busy year, our client counselling sessions totaled 1,005 sessions this year plus an additional 300 visitors to the Enterprise Resource Centre.

Programs - The CRDC works with a broad variety of government related programs including: Self Start, Entrepreneur, Self Employment Benefit, Small Enterprise Capital Assistance Program, the Transitional Jobs Fund, Industry Canada Trade assistance, Business Development Bank programs and ACOA's Business Development Program. The CRDC witnessed another year of low start-up applications and approvals. Even though client inquiries where high, the quality of many proposed projects was poor or undeveloped, and a great number of the projects did not meet the criteria established by the programs.

Self Start program approvals continue to decline, only achieving 40% of target. This program is currently under review by the provincial government due the fact that the provincial total was also only 40% of target. Other programs such as the NB Entrepreneur Loan programm achieved just over 100% of the provincial target and

SECAP achieved 82% of target province wide. Both of these programs have been working well in supporting businesses in the Carleton region.

The CRDC has continued it's policy of assisting clients with counselling, not consulting. The staff of the CRDC work with the client in the development of their business plans and program applications. The result is a true test as to the level of commitment of the client in pursuit of their business idea. As a result the process takes a longer period of time on average and the drop out rate remains high (those clients that failed to complete their application for assistance). Complete results of provincial programs are represented in Appendix A.

Under the ACOA funded programs, the Carleton County continues to be very active. The number of projects undertaken in 1993/94 was forty-four (44), fifty (50) in 1994/95, nine (9) in 1995/96, fourteen (14) in 1996/97 and twenty-one (21) in 1997/98. Total investment was over $9.67 million dollars into businesses in the county with the federal contribution reaching over $2.53 million and 144 jobs being created. (Details of ACOA activity is shown in Appendix B)

Information - Marketing and Promotion - The CRDC commissioned Brennan Communications to develop our Fall Business Guide in September 1997, with 15,000 copies being printed and distributed throughout the region. The guide included stories about area businesses, articles on business planning, a CRDC activity schedule for information sessions, training and conferences. The business guide proved to be a valuable marketing tool to encourage inquiries about our services and government assistance.

B) Entrepreneurship Development: The CRDC continues to be involved in the coordination of entrepreneurial training in the region. The past year proved the trend is moving towards individual training over group courses. The interest in our entrepreneurship courses was too low to conduct the courses, resulting in cancellation. However we feel individual training will be in demand over the next few years.

Youth Entrepreneurship Program (YEP) - The Youth Entrepreneurship Program was conducted again this year with ten (10) students being taught the skills necessary to develop a business plan for a business venture that was required to open immediately following the completion of the course. Unfortunately, due to lack of attendance, the training portion of the program was cancelled before completion. However, many of the students did start and operate their own businesses during the summer last year. This program was sponsored by COOPERATION funding and administered by Advanced Education and Labour.

Other Entrepreneurial Training - The staff of the CRDC conducted several guest lectures on Entrepreneurship to the Community College, area high schools and special interest groups throughout the area. During these lectures we distributed our "Starting A Business in the Carleton Region" booklet as a guide. These lectures combined the learning experience for the students with the exposure of the CRDC to prospective future business owners.

WQAC - Customer Service Training - The CRDC, in conjunction with the Woodstock Quality Assurance Council, coordinated a "SuperHost" customer service training for the hospitality, tourism and retail trade in the region. The course was offered in the spring to prepare the participants for the tourism season. In all, thirty (30) people participated in the session conducted by Customer Service Excellence of Fredericton.

Business Training - The CRDC sponsored two individuals to take the Hardwood Lumber Grading Course in Memphis, Tennessee during the winter. These individuals are employees of W.K. Lumber of Woodstock and Majestic Woodworking in the Bath area. Each was supported with approximately 30% of the course costs. The training supplement was offered to help diversify these small businesses by offering wood grading of their product lines before and after the kiln dry process, thus adding value to their products. Each of this companies have recently expanded and were having difficulty securing graded wood for their operations. Both attendees scored in the top of their class and have returned to their employers.

C) Conferences: The CRDC participated in a variety of conferences, information sessions and development workshops in the past year.

EDAC '97 - The General Manager of the CRDC attended the Economic Development Association of Canada's Annual Conference, held in Whistler, British Columbia. He also attended the pre-conference training session covering trade commissions and developing export markets. The conference combined networking, workshops and business meetings, and proved to be an excellent opportunity to learn about various initiatives being used in this field throughout Canada as well as develop a network of contacts and resources for the future.

Partnerships '97 - This conference, held in Moncton in the fall of 97, provided a great networking opportunity for a broad range of businesses and government. Wendy Gallant and Gary Melanson attended the conference and met with a variety of business people and attended several of the information and training sessions.

Other Conferences, Seminars & Sessions

NBCC Computer Trade Fair, Woodstock

NB Quality Conference, Saint John

MERX Training Session, CRDC office

Waterloo University, Entrepreneurs & Inventors session, Halifax

Royal Bank of Canada, Economic Outlook, Fredericton

State of The Province Address, Fredericton

Atlantic Canada Economic Council, Report Card, Saint John

D) Information Gathering and Dissemination: The CRDC has been actively collecting information from government and private sources for our library and our databases. This information is available through the Enterprise Resource Centre located in the Commission's office.

2) Planning and Coordination: The Carleton Regional Development Commission has been actively participating in several organizations and initiatives in the county. Our role is to offer support and direction, but we have also been instrumental in initiating and coordinating certain activities.

The following is a list of organizations on which a representative of the Commission participates:

- New Brunswick Economic Commissions Association.
- Junior Achievement Carleton County
- Woodstock Quality Assurance Council
- Enterprise Centre Steering Committee
- Woodstock Economic Development Committee

The CRDC has taken the lead in bringing together the various government departments and agencies which support our region. In December 1997, the CRDC hosted the first session of nine partners where we discussed the region, economic development, and our roles and responsibilities. This led to a session in January 1998 with the business community where we asked the business people who attended to help guide the economic development activity in the Carleton region. These sessions proved to be valuable during our workplan process and it is our intention to continue this process in the future.

Other notes of interest:

The CRDC assisted the Town of Woodstock in the sourcing of funds to conduct the study on the old Woodstock Train Station Property. The study was commissioned to identify the state of the property and possible uses of the structure.

The CRDC is also involved in a project with the Town of Woodstock and the Woodstock First Nations in a joint effort to apply for assistance and conduct an environmental clean-up of the property from the First Nation's land to the mouth of the Meduxnekeag River.

The CRDC has been involved in a review of the Woodstock Historical Society's properties and their plans for the future.

3) <u>Communications</u>: The Carleton Regional Development Commission continued to promote special events, programs and training sessions to area businesses and individuals. To reach our prospective audience, the CRDC advertised locally as well as utilized a direct to business fax service for several promotions. The CRDC also uses information notice boards at their offices to provide on-site advertisement of upcoming events and new program information. One of our best forms of promotion continues to be word of mouth support for our services and programs.

4) **Administration and Operations:** The staff of the CRDC continue to split the administrative tasks of the Commission depending upon their expertise and interests. Wendy Gallant handles office administration, meeting and event scheduling, bookkeeping and general office duties. She also has a key function in client counselling as an Economic Development Officer and handles a large number of new start up business applicants seeking counselling and financial assistance.

Ron Ward, Senior Project Officer, is responsible for direct counselling with clients on business planning and programs, the coordination and delivery of CRDC training activities in the region, including the delivery of the Youth Entrepreneur Program. He also provides additional representation through various service and sports organizations in the community and sits as a member of the Parent/Teacher Committee at the Woodstock High School.

Gary Melanson, General Manager, is responsible for the overall direction of the Carleton Regional Development Commission, reporting directly to the Chairman and the Executive of the Board of Directors. He handles government related matters, has direct contact with the business community and town/village councils, and counsels clients on the various programs available.

Each staff member's role is detailed in their appropriate job descriptions, which were revised in February 1998. Daily activity in the office is handled in a shared and equal manner, and all staff members are responsible for service to the clients.

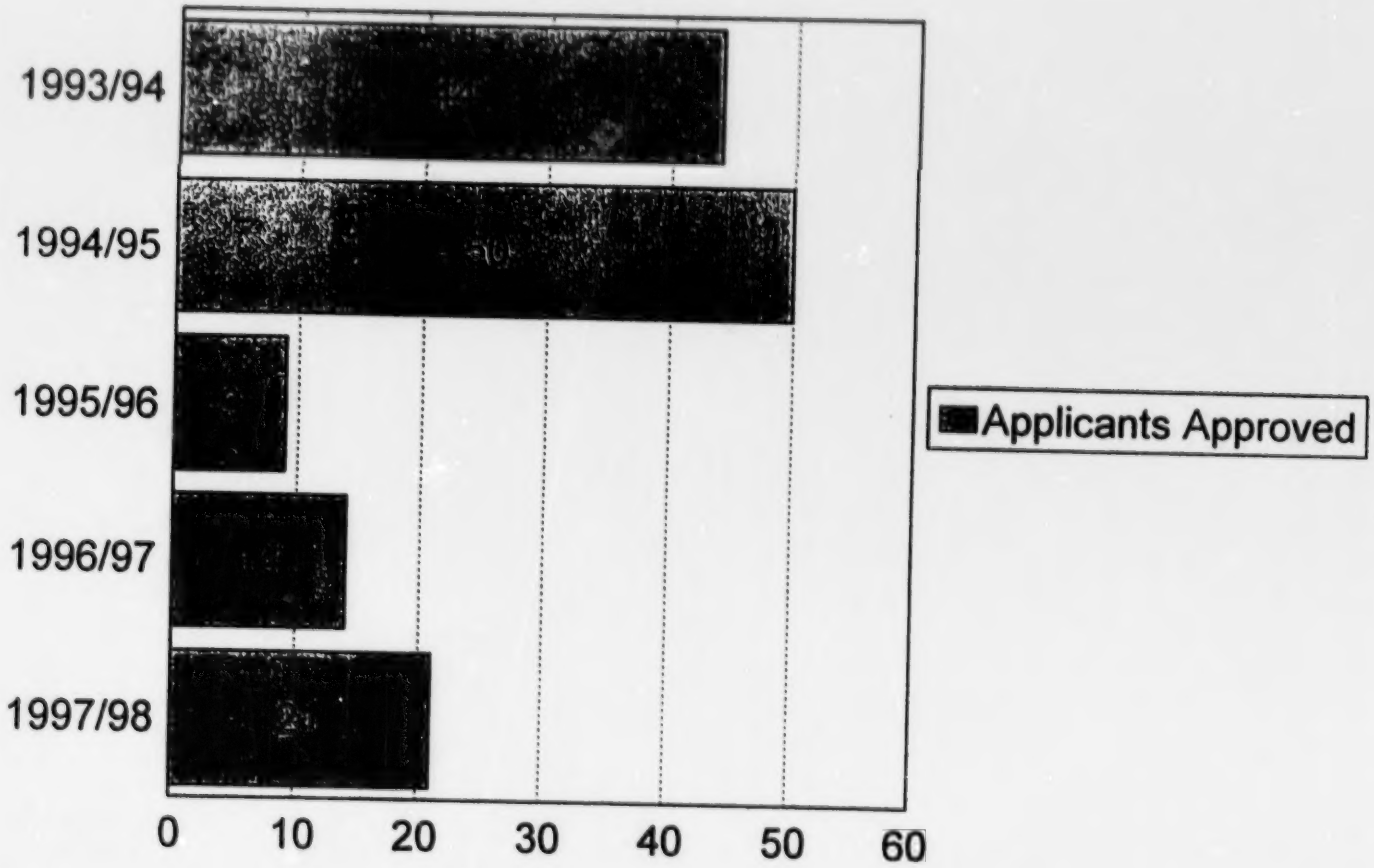
Appendices A & B

And

Auditor's Report as at March 31, 1998

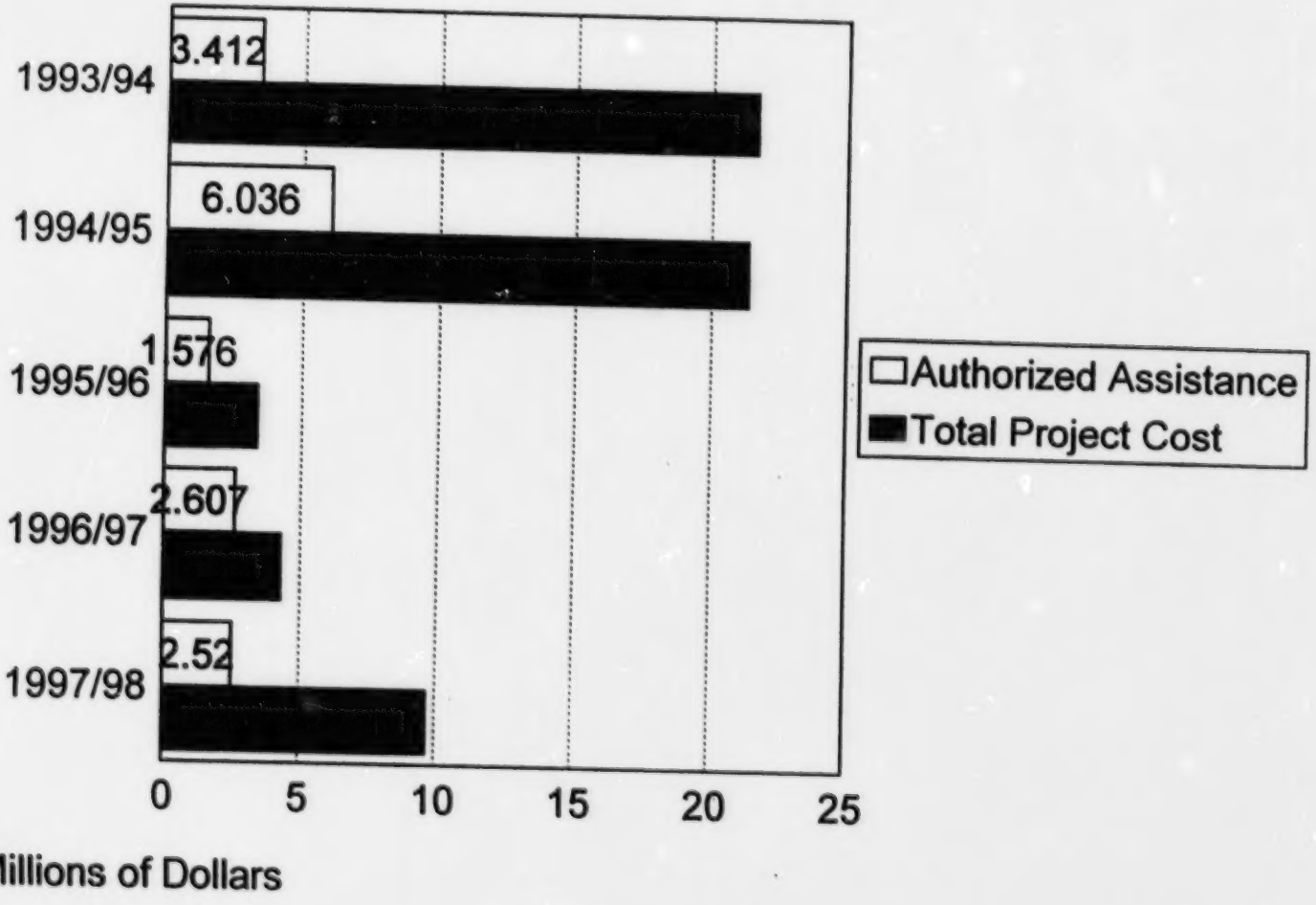
ACOA Applicant Report

Number of Applicants Approved



ACOA Investment Report

Project Investments in Carleton County



CARLETON REGIONAL DEVELOPMENT COMMISSION INC.

Report And Financial Statements
For The Year Ended March 31, 1998

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Oulton & Parkinson

OULTON & PARKINSON *Chartered Accountants*

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AUDITORS' REPORT

The Directors
Carleton Regional Development Commission Inc.

We have audited the balance sheet of the Carleton Regional Development Commission Inc. as at March 31, 1998 and the statement of revenue and expenditure and surplus for the year then ended. These financial statements are the responsibility of the commission's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the commission as at March 31, 1998 and the results of its operations for the year then ended in accordance with generally accepted accounting principles.

Oulton & Parkinson

Chartered Accountants

May 7, 1998

CARLETON REGIONAL DEVELOPMENT COMMISSION INC.

Balance Sheet
As At March 31, 1998

	1998 $	1997 $
ASSETS		
General Fund		
Current Assets		
Cash	26,077	19,537
Accounts receivable - Federal government	3,637	9,735
- Provincial government	4,000	-
HST receivable	4,465	969
	38,179	30,241
Capital Fund		
Capital Assets (note 2)		
Office furniture and equipment	61,542	57,328
Reserve Fund		
Cash	31,475	36,375
	131,196	123,944
LIABILITIES AND EQUITY		
General Fund		
Current Liabilities		
Accounts payable and accrued liabilities	1,764	2,428
Special projects balance (note 5)	27,820	13,728
	29,584	16,156
Surplus		
Operating surplus - page 3	8,595	14,085
	38,179	30,241
Capital Fund		
Equity in capital assets (note 3)	61,542	57,328
Reserve Fund		
Equity in reserve fund (note 4)	31,475	36,375
	131,196	123,944

On behalf of the Board:

_____ Director

_____ Director

CARLETON REGIONAL DEVELOPMENT COMMISSION INC.

General Fund
Statement Of Revenue And Expenditure And Surplus
For The Year Ended March 31, 1998

	1998 Budget $	1998 Actual $	1997 Actual $
Revenue			
Cooperation agreement	184,546	184,546	184,546
Municipalities	12,510	13,393	12,510
Youth entrepreneurship program	3,385	3,385	5,000
Step In program	-	-	38,500
Better business management practices program	-	510	-
Woodstock Quality Assurance Council	3,750	2,358	1,625
Transfer from reserve fund	-	7,647	3,546
Sale of capital assets	-	550	-
Rent and office services	-	-	1,536
Other	-	606	228
	204,191	212,995	247,491
Expenditure			
Salaries and employee benefits	129,646	128,276	123,086
Travel and car allowance	25,280	24,841	24,688
Office supplies and expense	7,433	9,484	6,748
Office renovations	-	3,745	-
Audit and accounting	3,500	3,380	3,203
Insurance	1,118	1,450	350
Membership fees, dues and seminars	2,033	2,659	907
Rent	12,904	10,791	11,101
Telephone	7,000	7,946	9,962
Electricity	4,142	3,528	3,093
Meetings	7,750	9,192	8,511
Youth entrepreneurship program	3,385	2,516	5,000
Better business management practices program	-	510	-
Step In program	-	-	38,500
Resource kit program	-	1,600	3,546
Miscellaneous	-	451	236
Transfer to capital fund	-	4,214	1,619
Transfer to enterprise centre	-	3,902	-
	204,191	218,485	240,550
(Deficit) Surplus For The Year	-	(5,490)	6,941
Surplus			
Balance, beginning of year	-	14,085	7,144
Balance, end of year	-	8,595	14,085

CARLETON REGIONAL DEVELOPMENT COMMISSION INC.

Notes To Financial Statements
For The Year Ended March 31, 1998

1. **Significant Accounting Policy**

Office furniture and equipment

Capital assets are recorded at cost. The Commission does not record depreciation on its capital assets. Funds received through capital assistance programs or transferred from the general fund are treated as additions to equity in capital assets.

	1998 $	1997 $
2. **Capital Assets**		
Balance, beginning of year	57,328	55,709
Additions during the year		
Printer	398	577
Computer hardware	2,634	1,042
Digital camera	1,182	-
Balance, end of year	61,542	57,328
3. **Equity In Capital Assets**		
Balance, beginning of year	57,328	55,709
Transfer from general fund	4,214	1,619
Balance, end of year	61,542	57,328
4. **Equity In Reserve Fund**		
Balance, beginning of year	36,375	36,925
Interest earned	2,747	2,996
Deduct transfer to general fund	(7,647)	(3,546)
Balance, end of year	31,475	36,375

CARLETON REGIONAL DEVELOPMENT COMMISSION INC.

Notes To Financial Statements
For The Year Ended March 31, 1998

	1998 Budget $	1998 Actual $	1997 Actual $
5. **Special Projects**			
Cooperation Agreement			
Revenue			
Entrepreneurship training	15,000	15,000	-
Business training program	5,000	5,265	10,725
Automation program	2,000	2,000	-
Communication and promotion program	6,000	6,000	6,000
Training and development program	5,000	5,000	5,000
Internet pages	-	-	1,500
	33,000	33,265	23,225
Expenditure			
Entrepreneurship training	15,000	2,051	-
Business training program	5,000	6,975	3,110
Regional strategy program	-	156	7,364
Automation program	2,000	1,637	-
Communication and promotion program	6,000	6,462	6,894
Training and development program	5,000	4,195	5,899
	33,000	21,476	23,267
Excess revenue over expenditure (expenditure over revenue) for the year	-	11,789	(42)
Enterprise Centre			
Revenue	10,000	13,902	9,735
Expenditure	10,000	13,902	29,074
Excess (expenditure over revenue) revenue over expenditure for the year	-	-	(19,339)
Train Station Study			
Revenue	36,378	36,378	-
Expenditure	36,378	34,075	-
Excess revenue over expenditure for the year	-	2,303	-
Special Projects			
Surplus (deficit) for the year	-	14,092	(19,381)
Balance, beginning of year	-	13,728	33,109
Balance, end of year	-	27,820	13,728